



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

October 3, 1989

CERTIFIED RETURN RECEIPT REQUESTED
No. P 075 063 263

Mr. William D. Moeller
Chief Executive Officer
American Consolidated Mining Company
405 South 100 East
Suite One
Pleasant Grove, Utah 84062

Dear Mr. Moeller:

Re: Reclamation Surety, Yellow Hammer Mine, M/045/019, Tooele County, Utah

On September 28, 1989, Division staff briefed the Board of Oil, Gas and Mining on communications between American Consolidated Mining Company and the Division concerning the August 3, 1989 letter from the Division with respect to establishment of an approved surety for the above-referenced mine. In that letter, the Division indicated that it would file a Petition for agency action on October 13, 1989 if an acceptable surety was not posted. However, the Board is now initiating its own action through an Order to Show Cause to be scheduled for its October 26, 1989 hearing.

I am writing to inform you that under separate cover, the Board is mailing an Order to Show Cause as to why mining operations at the Yellow Hammer Mine should not cease and reclamation commence immediately. This order will be before the Board at its October 26, 1989 hearing. If American Consolidated delivers to the Division, on or before October 13, 1989, the requisite \$16,000 surety in a form acceptable to the Board, the Board will consider withdrawal of the Order to Show Cause.

If you need additional information, please contact Lowell Braxton of this office.

Best regards,

Dianne R. Nielson
Director

vb

cc: Board of Oil, Gas & Mining
L. Braxton

MI78/35

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

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IN THE MATTER OF THE BOARD	:	NOTICE OF HEARING
ORDER TO SHOW CAUSE ISSUED	:	
TO AMERICAN CONSOLIDATED	:	DOCKET NO. 89-021
MINING COMPANY, YELLOW HAMMER	:	CAUSE NO. M/045/019
MINE, TOOELE COUNTY, UTAH	:	

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THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE ABOVE
ENTITLED MATTER.

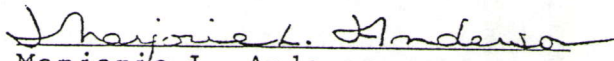
Notice is hereby given that the Board of Oil, Gas and Mining will conduct a hearing on Thursday, October 26, 1989, at 10:00 a.m., or as soon thereafter as possible, in the boardroom of the Division of Oil, Gas and Mining, 355 West North Temple, 3 Triad Center, Suite 350, Salt Lake City, Utah. The hearing will be conducted in accordance with Section 63-46b U.C.A. (1953, as amended).

The purpose of the proceeding will be for American Consolidated Mining Company to show cause, if any, as to why the Board should not order American Consolidated Mining Company to cease operations and reclaim immediately for failure to provide surety for said mining operation.

Persons interested in this matter may participate pursuant to the Procedural Rules of the Board. The Petition and any subsequent pleadings may be inspected in the office of the undersigned, 355 West North Temple, 3 Triad Center, Suite 350, Salt Lake City, Utah, (801) 538-5340.

DATED his 6th day of October, 1989.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING


Marjorie L. Anderson
Secretary of the Board

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

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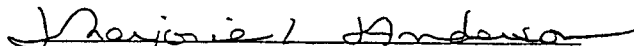
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Pursuant to §40-8-14, Utah Code Annotated (1953, as amended). The Board of Oil, Gas and Mining hereby orders American Consolidated Mining Company to appear before the Board on October 26, 1989 to show cause as to why the Board should not order American Consolidated Mining Company to cease operations and reclaim immediately for failure to provide surety for said mining operation.

DATED his 6th day of October, 1989.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING


Marjorie L. Anderson
Secretary of the Board